

solicitations to the few near him against the best interests of many who he will never see."

Discussing the maximum and minimum provision, Mr. Clark declared it to be idiotic policy to go out hunting trade with a club and meat axe.

"People will trade with us only if we trade with them," he said. If he had his way, he remarked, he would force every citizen to commit to memory President McKinley's Buffalo address, in which he declared that if the United States wanted a market for its products it must buy other people's products."

Mr. Clarke emphasized his faith in President Taft, but he said, "he is subject to the same infirmities as the rest of us, and there will be all sorts of efforts to keep him from ascertaining the facts on which he would base his judgment to cut this tremendous load of maximum down."

The bill he characterized as "the most stupendous fake in the history of mankind."

#### MR. TAFT'S RETREAT—AS VIEWED BY A NEWSPAPER THAT SUPPORTED HIM IN 1908

In its issue of July 27, the New York Times, a newspaper that supported the republican ticket, printed an editorial entitled "Mr. Taft's Retreat." The editorial follows:

The dispatch from Washington printed in the Times yesterday, stating Mr. Taft's present views of tariff revision, tells the story of failure to keep pledges repeatedly given, of the abandonment of a resolve, and of a change in public policy more remarkable, perhaps, than any other recorded in the history of American presidents and administrations. The plain meaning of it is that Mr. Taft, after for weeks resolutely facing Senator Aldrich and the upward revisionists, has turned back beaten. If our Washington dispatch correctly presents his views he is in full retreat.

If the language in which this change of purpose is made known was intended to conceal its meaning or to break the shock of the disappointment, it fails utterly. The fact is clearly visible through the hedges of words that, whereas in the campaign Mr. Taft many times interpreted the platform utterance as a promise of revision downward, whereas he many times personally pledged himself to use all his influence to secure such a revision downward, and whereas, during four months of the struggle over the tariff, he has resolutely opposed the designs of Senator Aldrich and has fought against the standpaters and their efforts to enact a tariff that would betray the promises of the platform and of the candidate, he now gives up the fight and takes a position that, so far as the people and the consumers are concerned, is quite indistinguishable from that of the Rhode Island senator. Save for a few petty details he yields everything, most of all principle.

It is quite unnecessary to point out that the platform "is built upon the protective theory." It says so. Nobody has construed the platform "upon the tariff for revision only theory, or upon the incidental protection theory, or upon the free trade theory." As a piece of economic reasoning this passage from the statement of Mr. Taft's position is amazing:

"Consequently, in Mr. Taft's view, the attempt to determine the worth of the pending bill by a comparison of the importations under the Dingley law with the estimates of those under the new law is the most illogical course that could be pursued. But that is exactly what he understands to have been done by several of the progressive senators in their arguments in the senate and elsewhere, as to the defects in the Aldrich-Payne bill. The true comparison, in his opinion, would be of the total consumption of any given article under the Dingley law with the estimated consumption under the new law, and the difficulties in the way of accuracy in such a comparison prevent even that having much value."

Economists have sometimes put the cart before the horse in that way, but they have never got anywhere by that method of harnessing. Prices and consumption have a very direct relation. But it is something new to be told that experience may be thrown to the winds and prices arbitrarily raised by tariff duties without providing any other measure of their effect than that of simply waiting to see how they affect consumption. The bill now in conference does raise duties in many schedules, notably in the cotton schedule, a fact of which we gave proof yesterday. The duty, of course, increases the

cost of the foreign commodity. To the extent that foreign competition is excluded, the American producer will raise his price. That is a matter of common knowledge and experience. We do not need to wait. We need no new evidence. A comparison of the Dingley rate gives an infallible forecast of what is going to happen. Besides, we are told that an estimate of probable consumption is one impossible to be made. The test is abandoned as soon as proposed.

Mr. Taft repudiates the theory of the progressive senators that the promise of the platform involved a reduction in prices to the consumer. This, he says, is what it meant:

"With that end in view, the reductions which have been asked for have been sought not in the effort to reduce prices to the point where importations of foreign goods would necessarily follow—which would be contrary to the protective theory—but with the purpose of bringing duties down to such a point that it would be impossible, through combination and its consequent destruction of competition, to force prices above what they now are. In other words, the object sought is to prevent the further raising of prices rather than the reduction of them through foreign competition."

Nothing short of foreign competition or the threat of it, will reduce prices here. The Dingley tariff is avowedly a measure of exclusion, it shuts out competition. In many important schedules the bill in conference raises those duties. Will that prevent combination? Will that prevent the further raising of prices in the domestic market? Such an explanation of the theory on which this tariff has been drawn satisfies neither the mind nor the conscience. It has no relevancy to the facts. The beneficiaries of the present tariff have schedules of export prices very much lower than the prices the home consumer pays. Does the theory of protection which Mr. Taft is so careful to explain demand the raising of a tariff that permits such practices? Does it demand, even, that that tariff should be revised merely on the standpat principle?

The president reminds the "progressives" that the theory of protection insists that prices will be kept down by the operation of competition behind the protection wall, and that "now the effort is to establish the duties at a point where they will serve as a check to such combinations." In the cotton goods schedule, for instance, where the duties are increased from 10 to 120 per cent over the Dingley duties. In the steel schedule, for instance, where a great part of the duties is retained, although men most familiar with the business say that no protection at all is required.

In only one or two schedules does the conference bill give promise of any reduction of prices through any process to American consumers. Yet in his speech at Fort Dodge on October 3, 1908, Mr. Taft said:

"The normal operation of protection, where competition has free scope, is to lower the cost of producing and so reduce prices to the public. As a consequence, after ten years' operation of a particular schedule, it ought to result that the cost of production in this country is made less, and, therefore, that the difference between the cost of production in this country and abroad is less, and therefore that the duty ought to be reduced. If I am elected, as I expect to be, I shall exercise all the legitimate influence that a president as head of the republican party can exercise to see to it that the plighted faith of the party on this subject, in letter and in spirit, is observed."

The plighted faith of the party is flouted and broken in the conference bill, and in that betrayal Mr. Taft now appears to have become an assenting participant. The Dingley duties have been in force not ten, but twelve years. Not competition, but combination has flourished behind that tariff wall. Now the wall is to be raised higher, and the president, withdrawing all opposition, becomes a defender of the new venture in extortion.

#### ALDRICH'S CONFESSION

Speaking in the United States senate, June 29, Senator Aldrich, the republican leader, made this confession:

"I will vote for the corporation tax to get rid of the income tax."

On the following day Senator Cummins of Iowa referred to the announcement that Mr. Aldrich would take a sea voyage and said: "After the acknowledgment which he made to the senate yesterday with respect to his vote in bringing forward the amendment that we are

now considering," said Senator Cummins, evidently referring to Mr. Aldrich's statement that he favored the corporation tax to defeat the income tax amendment, "he needs the restoration and the recuperation of salt air. I would want to take a trip lasting about 1,000 years if I should be compelled to make a confession of that sort with respect to a measure brought forward by myself."

Referring to Mr. Aldrich's confession the New York World says: "Senator Aldrich's brazen confession yesterday that he accepted the corporation tax as the surest means of defeating an income tax will be less embarrassing to him than to the president. The senator from Rhode Island is under no special pledge to the people to reduce taxes or to equalize them. Mr. Taft is solemnly committed to both of those policies. Without the powerful assistance of the president the senator would make little headway with his corporation tax. With that assistance he seems to have defeated the income tax for this session. Bad faith is common among the congressional upholders of privilege and plutocracy, but it is not often that an Aldrich has ventured publicly to boast that he has tricked a president of the United States. This would appear to be a proper occasion for Mr. Taft to demonstrate the fact that the chief magistrate is to be found in the White House and not in the office of the senate finance committee."

### Practical Tariff Talks

In no other schedule in the whole tariff will be found so much involution as in that relating to wool. The high tariff advocates are divided between looking after the interests of the man who raises the sheep and those who manufacture the wool. This country grows from one-eighth to one-tenth of the total wool grown in the world and it uses between one-fourth and one-fifth. The total wool grown in the United States is 300,000,000 pounds a year, while the consumption is about 500,000,000 pounds. The wool grower asks for heavy protection—it ranges from 100 to 134 per cent, depending upon the grades—because he said he wants to increase his flock and be able to furnish it all. The manufacturer wants the same protection in the way of manufactured wool products so that he may manufacture, first, the wool grown in this country and then, if there is a deficit, bring the raw wool in from other countries in its natural state and not in manufactured fabrics, thereby giving employment to a great number of men and women. That is the reason advanced by Senator Warren, himself a heavy sheep owner, why there should be high protection.

To show just how this program has resulted in the transfer of money from the pockets of the consumers to those of the growers, these figures are cited: From 1897, when the Dingley law went into effect, the number of sheep increased in this country 48 per cent, and their value increased 215 per cent. In time, one would expect that naturally we will grow all the wool we need and that then the infant industry being fully developed we can have free wool. But Senator Warren warns us that this will never come to pass because the foreigner insists upon selling wool at half what the American wool grower gets now for his. This well illustrates the downfall that the protectionists have arranged. We can tax ourselves for years while the herd owners are increasing their flocks and their clip, but they will always ask for protection because wool in the world's markets brings only half what they get for it under the tariff we levy. It is a well recognized principle of economics that the surplus of any product fixes its price. Thus there is a great deal more cotton, wheat, corn, rye, oats, etc., raised in America than is consumed here. Their price is fixed where the surplus is sold. Duties on these products do not affect the price the grower receives. Thus we have the anomaly presented of the wool grower mournfully demanding that we give him high protection in order to stimulate his industry, while at the same time he says that it isn't desirable that the production of wool shall exceed the needs of the country. Because the grower gets so tremendous an advantage given him, the manufacturer demands his share of the graft.